Review of Electricity Act, 2003

*178. SHRI MOINUL HASSAN: Will the Minister of POWER be pleased to state:

(a) whether the Electricity Act, 2003 passed by the erstwhile NDA Government sought to trifurcate the functioning of State Electricity Board (SEB) work into Generation, Transmission and Distribution as part of the reforms suggested by IMF and World Bank in electricity generation and supply in India;

(b) if so, whether Government are aware about the disastrous experience in 13 States where these reforms were implemented; and

(c) if so, by when Government are going to review the Act as promised in NCMP?

THE MINISTER OF POWER (SHRI SUSHIL KUMAR SHINDE): (a) The Electricity Act, 2003 evolved through extensive consultations involving, States, State Power Utilities Industry Associations, individual experts, Trade Unions, Central Public Sector Undertakings, Employee Associations etc. After its introduction in Lok Sabha, the Electricity Bill had also been referred to the Parliamentary Standing Committee which, after a process of extensive consultations with all stakeholders, gave its recommendations, most of which were accepted by the Government.

The Act carries provisions for taking measures conducive to development of electricity industry, promoting competition therein, protecting interest of consumers and supply of electricity to all areas, rationalization of electricity tariff, ensuring transparent policies regarding subsidies, promotion of efficient and environmentally benign policies and, *inter-alia* for reorganization of the State Electricity Boards (SEB). Under the Act, State Government can allow extension of time for continuation of its SEB for such period as may be agreed by the Central Government. Central Government has, from time to time, agreed to request for continuation of the SEBs for some more time.

(b)Central Government has awarded a study to the Indian Institute of Public Administration (IIPA) on the impact of reorganization of SEBs. The study is in progress.

(c) Consequent to review of the Electricity Act, 2003, the Electricity (Amendment) Bill, 2005 has been introduced in the Lok Sabha.